

TESTIMONY SUBMITTED REGARDING CONNECTICUT RAISED BILL 6529

COMMITTEE on INSURANCE and REAL ESTATE

Submitted by:

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6529

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Mister Chairmen, and members of the Committee, my name is Andrew Friedell and I am Director of Government Affairs for Medco Health Solutions, Inc., which is a pharmacy benefits management company, or "PBM." I would like to thank you for this opportunity to testify today regarding concerns we have with Raised Bill 6529. Because the legislature recently enacted a regulatory framework specific to PBMs, we ask that this bill be amended to exempt those entities already registered under the new PBM statute.

As a PBM, Medco is hired by large employers, unions, health plans and public sector entities to help manage the quality and affordability of the drug benefit these plans offer to their members or employees. Medco provides drug benefits to roughly 60 million people nationwide and about 20 percent of the Connecticut population. In 2008, we mailed approximately 965,000 prescriptions to state residents and we also operate a specialty pharmacy in Vernon, Connecticut.

In 2007, the Legislature enacted Senate Bill 74, or Public Act 07-200, which established a new regulatory framework for PBMs. This section requires PBMs to register with the Department, report certain information to the Commissioner and to provide the Commissioner with evidence of a surety bond, among other provisions. Given the recent enactment of rules specific to PBMs, we respectfully ask that the committee consider adding the following amendment to Raised Bill 6529:

Section 1(14): *(O) A pharmacy benefits manager registered under Sec. 38a-479bbb of the general statutes.*

This amendment would exempt those entities already registered under the recently enacted PBM provision. I appreciate your willingness to consider this change and remain available to answer any questions.

